



February 11, 2008

The Honorable Ted Stevens
United States Senate
522 Hart Senate Office Building
Washington, D.C. 20510-0201

Fax: 202 224 2354

Dear Senator Stevens,

INN Electric Cooperative, Inc. (INN) is submitting a Fiscal Year 2009 Project Request. The Tazimina Hydroelectric Project is an alternative energy project that was appropriately conceived and completed for local sustainability and development in an off the grid application. The resulting debt is compounding an already serious rural sustainability problem in Southwest Alaska. High electric rates, rising and unpredictable fuel prices and associated cost of living increases are shrinking rural communities in the Bristol Bay Region.

This project is providing a long-term stable source of electricity and demonstrates locally produced renewable alternatives to fossil fuel electric generation in remote areas that are subject to extremely high costs of energy. It is my hope that you will pursue debt relief for the Tazimina Hydroelectric Project on behalf of INN Electric Cooperative, Inc.

Sincerely,

General Manager

attachment: FY09 Project Proposal

Submission Date: Feb 11, 2008.

Priority: 1 of 1



Ted Stevens

United States Senator for Alaska

Please Note:

- Fill out one request form for each request
- This form (and any attachments) can be returned via:

Fax - (202) 224-2354

Mail - The Honorable Ted Stevens
United States Senate
522 Hart Senate Office Bldg.
Washington, D.C. 20510

- Requests are due by February 15, 2008.

FISCAL YEAR 2009 PROJECT REQUEST FORM

Project Name: Iliamna, Newhalen, Nondalton Electric Cooperative, Inc (INN)

Project Location: Iliamna, Newhalen, Nondalton in the Bristol Bay Region of Southwest Alaska

Project Description (please attach additional pages as required):

Iliamna, Newhalen, Nondalton Electric Cooperative, Inc. (INN) is a non-profit electric utility in the Lake Iliamna Region of Southwest Alaska. INN completed the Tazimina Hydroelectric Project in 1998. It is a clean renewable, run of river hydro energy generation plant serving the electrical needs of 600 residents in Iliamna, Newhalen and Nondalton, Alaska.

The Tazimina Hydroelectric Project was pursued as an alternative to diesel generation and identified by the Department of Energy as the most viable alternative energy project in the area. The original cost of the project was \$8,000,000. Due to unforeseen construction difficulties and inflation, costs soared to \$12,500,000. The remaining debt of \$3,500,000. is unbearable. INN Electric Cooperative consumers are burdened with an average residential power cost of .55 per kWh. The cooperative is urgently requesting assistance in the amount of \$3,000,000.

Related Appropriations Bill: EWD / Agriculture / EDA

Amount of federal funding requested for FY09: \$3,000,000

Total funding to complete this project: \$3,000,000

Number of years to fund this project: 1

Matching funds from the State of Alaska: Unknown

Matching funds from local and private entities:

Original Investment: State of Alaska \$3,000,000 and Federal \$6,000,000
Current Match: INN Electric Cooperative, Inc. \$500,000

If this project was funded in prior appropriations bills (within the last five years), list each bill and the amount funded:

EWD 1996

Amount included in the President's FY09 Budget: No

Amount included in the State of Alaska FY09 Budget: Unknown

☒ Check this box if state funding was sought but not provided.

List legislation that authorizes this project:

Hydro funded through the Department of Energy
Energy Independence Act 2007

Check all that apply:

- ☐ A change in the current law is necessary in order to proceed with the project. (If so, attach language and a list of laws that need to be amended)
- ☐ Bill or report language is needed. (If so, attach requested language)

Alaska Contact Information

The federal government provided electrical infrastructure to the Northwest and Appalachian regions of the United States. A similar need exists today in many sections of rural Alaska. The Tazimina Hydroelectric Project predates the mandate for reducing foreign oil dependency and development of energy alternatives.

World wide market demand for finite fossil fuels and fossil fuel generated energy is growing, its carbon footprint is growing and costs associated with its production, security and transportation are growing. Fortunately, the national interest in renewable energy alternatives is also growing and supports exploration expansion and application of technological advances that will decrease the costs of renewable energy exploration and production. This project is complete, operational, accomplishes fossil fuel reduction and is currently providing clean, renewable, locally produced energy to area residents.

Western Alaska is vast, culturally significant, rich in natural resources and undeveloped. The key to rural sustainability and resource development is reasonably priced energy. Rural Alaska residents spend proportionally more of their income on energy requirements than urban counterparts and are much more conservative in their consumption. Federally assisted debt relief for this project will help bring energy equity to the citizens in the region and foster economic development activities. It is a showcase in the renewable energy deployment in unique and valuable rural American environments.